

DEPARTMENT OF TAXATION

Department Summary

Mission Statement

To administer the tax laws of the State of Hawaii in a consistent, uniform and fair manner by educating taxpayers on tax laws, by developing a professional staff and by using technology to increase efficiency and effectiveness.

Department Goals

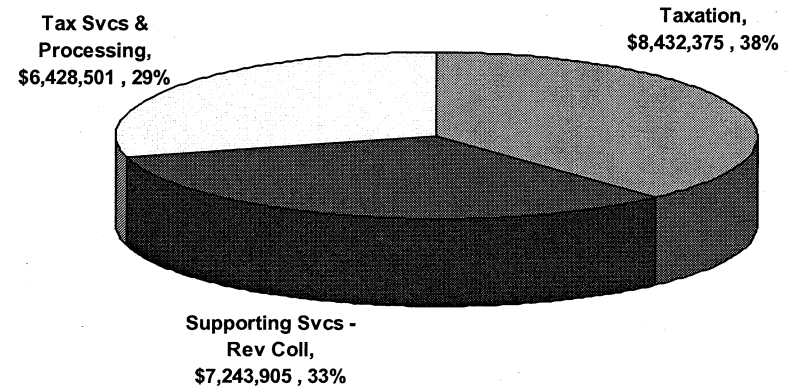
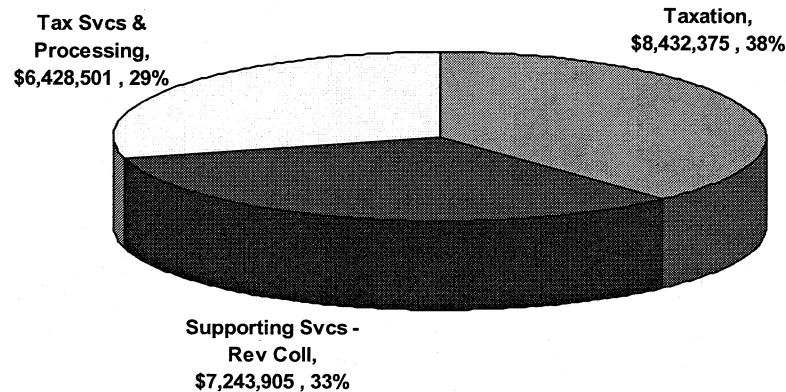
To provide one-stop customer service; to increase collection capabilities through efficient allocation of resources; to simplify taxpayer filings, provide a more user-friendly interface with the public, speed up refunds and expedite delinquent referrals; to automate tax filings, billings and collections; to expand capacity for research and revenue analysis; to permit more flexibility in accommodating tax law changes and initiatives to improve tax administration.

Significant Measures of Effectiveness

	<u>FY 2010</u>	<u>FY 2011</u>
1. Average call answer rate	61	61
2. Percent of tax returns audited resulting in adjustments	85	85
3. Average business days to deposit checks received from taxpayers	55	55

FB 2009-2011 Operating Budget by Major Program Area

FY 2010
FY 2011



DEPARTMENT OF TAXATION MAJOR FUNCTIONS

- Administers and enforces the tax laws of Hawaii and the collection of taxes and other payments.
- Coordinates a centralized system for receiving and processing of all tax returns, payments and documents.
- Provides one-stop customer service, assistance and information on all taxes administered by the department to customers who walk in, call-in, correspond or e-mail.
- Administers a comprehensive and uniform compliance program based on self-assessment and voluntary compliance.
- Conducts audits and investigations of all types of tax returns.
- Conducts and enforces collection of delinquent taxes by appropriate collection procedures.
- Plans, organizes and coordinates a tax research and tax planning program.
- Provides administrative and research support to the Council on Revenues which prepares revenue estimates for the State on a quarterly basis.

MAJOR PROGRAM AREAS

The Department of Taxation has a program in the following major program area:

Government-Wide Support

TAX 100	Revenue Collections
TAX 105	Tax Services and Processing
TAX 107	Supporting Services – Revenue Collections

Department of Taxation
(Operating Budget)

		Allocation		
		FY 2009	FY 2010	FY 2011
Funding Sources:	Positions	406.50	381.00	381.00
General Funds	\$	24,511,912	21,652,781	21,652,781
		1.00	0.00	0.00
Special Funds		869,000	452,000	452,000
		407.50	381.00	381.00
Total Requirements		25,380,912	22,104,781	22,104,781

Major Adjustments in the Executive Budget Request: (general funds unless noted)

1. Deletes 18.50 vacant permanent positions and \$752,178 in Revenue Collections.
2. Deletes \$275,000 for subject matter experts in Revenue Collections.
3. Deletes 13.5 vacant temporary positions and \$354,930 in Tax Services and Processing.
4. Deletes \$670,270 for seasonal tax hires from Tax Services and Processing.
5. Deletes 7.0 vacant permanent and 5.0 vacant temporary positions and \$527,208 from Supporting Services – Revenue Collections.
6. Deletes \$300,000 for overtime support for the computer system in Supporting Services – Revenue Collections.
7. Deletes \$417,000 from the ITIMS special fund ceiling and 1.0 vacant permanent special fund Economist VI position from Supporting Services – Revenue Collections.

Department of Taxation
(Capital Improvements Budget)

	<u>FY 2010</u>	<u>FY 2011</u>
Funding Sources:		
General Obligation Bonds	0	0
Federal Funds	0	0
	<hr/>	<hr/>
Total Requirements	0	0
	<hr/> <hr/>	<hr/> <hr/>

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)

1. None.